

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
LEXINGTON-SOUTH ELKHORN WATER)	CASE NO. 94-287
DISTRICT)	

O R D E R

On August 1, 1994, Lexington-South Elkhorn Water District ("Lexington-South Elkhorn") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, 807 KAR 5:067.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Lexington-South Elkhorn's supplier, Kentucky-American Water Company ("Kentucky-American"), increased its rate for wholesale water from \$1.50875 to \$1.51293 per 1,000 gallons, increased the service charges applicable to Lexington-South Elkhorn from \$44.40 to \$44.52 per month for 2-inch meters, from \$138.74 to \$139.13 per month for 4-inch meters and implemented a 5.1 cent per 1,000 gallon withdrawal fee.

2. Lexington-South Elkhorn increased the rate to its customers effective July 5, 1994. Based on an average monthly usage of 5,000 gallons, the monthly bills for Lexington-South Elkhorn's customers will increase by 35 cents from \$29.55 to \$29.90, an increase of 1.2 percent.

3. During the 12 months ending June 8, 1994, Lexington-South Elkhorn purchased 149,268,750 gallons of water and sold 115,388,020 gallons.

4. The increase in Lexington-South Elkhorn's purchased water cost is \$8,367, resulting in a purchased water adjustment of 7 cents per 1,000 gallons of water. Lexington-South Elkhorn's calculations divided the change in cost by the amount of gallons purchased resulting in an incorrect purchased water adjustment of 6 cents per 1,000 gallons.

5. The purchased water adjustment of 7 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment proposed by Lexington-South Elkhorn be and it hereby is denied.

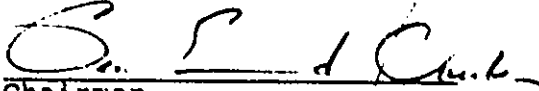
2. The purchased water adjustment of 7 cents per 1,000 gallons and the rates in Appendix A are hereby approved for service rendered on and after July 5, 1994.

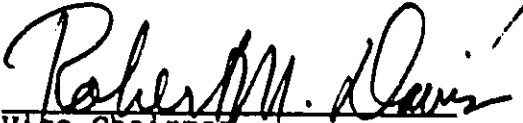
3. Within 30 days of the date of this Order, Lexington-South Elkhorn shall file a revised tariff sheet setting out the rates approved herein.


4. Within 30 days of the date of this Order, Lexington-South Elkhorn shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 31st day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-287 DATED AUGUST 31, 1994.

The following rates and charges are prescribed for the customers in the area served by Lexington-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES

5/8 x 3/4-Inch Meters

First 2,000 gallons	\$ 16.97 (Minimum Bill)
Next 2,000 gallons	4.46 per 1,000 gallons
Next 2,000 gallons	4.01 per 1,000 gallons
Next 10,000 gallons	3.76 per 1,000 gallons
Next 8,000 gallons	3.49 per 1,000 gallons
Over 24,000 gallons	3.21 per 1,000 gallons

1-Inch Meters

First 10,000 gallons	\$ 48.95 (Minimum Bill)
Next 6,000 gallons	3.76 per 1,000 gallons
Next 8,000 gallons	3.49 per 1,000 gallons
Over 24,000 gallons	3.21 per 1,000 gallons

2-Inch Meters

First 24,000 gallons	\$ 99.43 (Minimum Bill)
Over 24,000 gallons	3.21 per 1,000 gallons